

**Hearing Date: December 20, 2018 at 10:00 a.m. (Prevailing Eastern Time)**  
**Objection Deadline: November 29, 2018 at 5:00 p.m. (Prevailing Eastern Time)**

**BAKER & HOSTETLER LLP**

Jorian L. Rose  
45 Rockefeller Plaza  
New York, New York 10111  
Telephone: (212) 589-4200  
Facsimile: (212) 589-4201

*Counsel to the Examiner*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re

Chapter 11

FIRESTAR DIAMOND, INC., *et al.*,<sup>1</sup>

Case No. 18-10509 (SHL)

(Jointly Administered)

Debtors.  
-----X

**SUMMARY SHEET TO THE FINAL FEE APPLICATION OF  
THE EXAMINER FOR ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD OF  
APRIL 19, 2018 THROUGH AND INCLUDING NOVEMBER 13, 2018**

Name of Applicant:	John J. Carney, Examiner
Time Period Covered by this Application:	April 19, 2018 through November 13, 2018
Total Compensation Requested this Period:	\$121,186.00
Total Expenses Requested this Period:	\$97.99
Petition Date:	February 26, 2018
Retention Date:	April 19, 2018
Date of Order Approving Employment:	April 19, 2018

<sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Firestar Diamond, Inc. (2729), Fantasy, Inc. (1673), and Old AJ, Inc. f/k/a A. Jaffe, Inc. (4756).

Total Compensation and Expenses Previously Requested:	\$114,696.00
Total Compensation and Expenses Previously Awarded:	\$91,756.80
Number of Professionals Included in this Application:	1
Number of Professionals Billing Fewer than 15 Hours to the Case during this Period:	None
Are Any Rates Higher than those Approved or Disclosed at Retention?	No

**SUMMARY OF PROFESSIONALS AND PARAPROFESSIONALS INCLUDED IN THIS FEE APPLICATION**

<b>Name</b>	<b>Bar Admission Date</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Amount Billed</b>
John J. Carney	Partner, admitted in 1990	\$590	205.40	\$121,186.00

**MONTHLY FEE STATEMENTS (FILED)<sup>2</sup>**  
**APRIL 19, 2018 THROUGH AND INCLUDING NOVEMBER 13, 2018**

<b>Date &amp; Docket No.</b>	<b>Fee Period</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Allowed Fees (80%)</b>	<b>Allowed Expenses (100%)</b>	<b>Holdbacks (20%)</b>
6/1/2018 ECF No. 199	4/19/2018 through 4/30/2018	\$8,968.00	N/A	\$7,174.40	N/A	\$1,793.60
6/20/2018 ECF No. 229	5/1/2018 through 5/31/2018	\$28,320.00	N/A	\$22,656.00	N/A	\$5,664.00
7/20/2018 ECF No. 308	6/1/2018 through 6/30/2018	\$11,033.00	N/A	\$8,826.40	N/A	\$2,206.60
8/20/2018 ECF No. 375	7/1/2018 through 7/31/2018	\$12,272.00	N/A	\$9,817.60	N/A	\$2,454.40
10/19/2018 ECF No. 538	9/1/2018 through 9/30/2018	\$6,490.00	\$97.99	\$5,192.00	\$97.99	\$1,298.00
<b>TOTALS:</b>		<b>\$67,083.00</b>	<b>\$97.99</b>	<b>\$53,666.40</b>	<b>\$97.99</b>	<b>\$13,416.60</b>

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<sup>2</sup> The Examiner did not file a monthly fee statement for fees and expenses incurred during the month of August.

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Chapter 11

Case No. 18-10509 (SHL)

FIRESTAR DIAMOND, INC., *et al.*<sup>1</sup>

(Jointly Administered)

Debtors.  
-----X

**FINAL FEE APPLICATION OF THE EXAMINER FOR ALLOWANCE OF  
COMPENSATION AND SERVICES RENDERED AND REIMBURSEMENT OF  
EXPENSES INCURRED FOR THE PERIOD OF  
APRIL 19, 2018 THROUGH AND INCLUDING NOVEMBER 13, 2018**

John J. Carney, the duly appointed examiner (the “Examiner”), for the jointly administered chapter 11 bankruptcy estates of Firestar Diamond, Inc., Old AJ, Inc. f/k/a A. Jaffe, Inc., and Fantasy, Inc. *et al.* (the “Debtors”) respectfully submits this Final Fee Application of the Examiner for Allowance of Compensation and Reimbursement of Expenses (the “Application”). The Examiner requests entry of an order, substantially in the form annexed hereto as **Exhibit G**, authorizing on a final basis: (a) allowance and approval of compensation for professional services rendered in the amount of \$121,186.00 for the period from April 19, 2018 through November 13,

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<sup>1</sup>The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Firestar Diamond, Inc. (2729), Fantasy, Inc. (1673), and Old AJ, Inc. f/k/a A. Jaffe, Inc. (4756).

2018 (the “Application Period”); and (b) reimbursement of actual and necessary expenses in the amount of \$97.99 incurred by Examiner in rendering such services during the Application Period.

In support of this Application, the Examiner respectfully states as follows:

**JURISDICTION, VENUE AND PREDICATES FOR RELIEF**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

Consideration of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The relief requested in this Motion is based on section 330 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-1(a) of the Local Bankruptcy Rules for the Southern District of New York Bankruptcy, and the March 29, 2018, *Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-1 Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals* (ECF No. 82) (the “Monthly Compensation Order”).

**BACKGROUND**

4. On February 26, 2018 (the “Petition Date”), the Debtors commenced the above captioned cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors operated their businesses and managed their affairs as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code until the Court entered an order directing the appointment of a chapter 11 trustee on June 7, 2018.

5. On March 9, 2018, the Court entered an order directing the joint administration of the Chapter 11 Cases (ECF No. 24).

6. On March 30, 2018, the United States Trustee filed a motion to appoint an examiner to investigate and report on the conduct of the Debtors pursuant to section 1104(c) of the Bankruptcy Code in connection with various allegations of wrongdoing and fraud in the Debtors' business operations (ECF No. 87). As described therein, the Debtors consented to the appointment of an examiner.

7. The Court subsequently granted the request for the appointment of an examiner pursuant to court order dated April 13, 2018 (the "First Examiner Order") (ECF No. 103). Under the First Examiner Order, the Examiner was directed to do the following:

investigate the circumstances surrounding the alleged fraud involving the individual known as Nirav Modi, certain persons or entities affiliated with Nirav Modi (the "Modi Entities") and certain employees of Punjab National Bank (the "Alleged Fraud Circumstances") for the purpose and to the extent necessary to determine: (1) whether and to what extent, if any, the Modi Entities have the ability to direct and/or influence the conduct, decisions or actions taken by the Debtors in these Cases; (2) whether any current officer or director of the Debtors actively and knowingly participated in fraud or dishonesty in the management of the affairs of the Debtors; (3) whether any claims or causes of action in favor of the Debtors may arise from the Alleged Fraud Circumstances; (items (1) through (3) referred to as the "Determinations") and (4) otherwise perform the duties of an examiner as contained within the scope of 11 U.S.C 1106(a)(3)&(4) of the Bankruptcy Code solely to the extent required or necessary to the foregoing Determinations (collectively, the "Investigation")[]

8. The First Examiner Order further directed the Examiner to prepare and file a final report (the "Report") regarding the Investigation within 120 days of his appointment by the United States Trustee, unless such time had been extended by the Court for cause. *See* First Examiner Order at pp. 3–4.

9. On April 19, 2018, the United States Trustee appointed John J. Carney as Examiner and filed Notice of his appointment. (ECF No. 114). That same day, the United States Trustee filed an application to approve the Examiner's appointment (ECF No. 115), and the Court subsequently entered an order approving the appointment (ECF No. 118).

10. On April 25, 2018, the Examiner filed an application for an order authorizing the retention of Baker & Hostetler LLP (“BH” or the “Firm”) as his counsel *nunc pro tunc* to April 19, 2018. (ECF No. 126). This Court entered an order approving the Examiner’s application to retain BH on May 18, 2018 (ECF No. 175). The Examiner also filed an application to retain global consulting firm Alvarez & Marsal Disputes and Investigations, LLC (“A&M”) led by retired FBI special agent William B. Waldie, CPA, CFE to assist with fraud investigation and analysis. The Court entered an order approving the Examiner’s application to retain A&M on June 11, 2018 (ECF No. 219).

11. On May 4, 2018, the Examiner filed a preliminary work plan and budget for as directed by the Court, outlining his proposal for conducting the Investigation and issuing his Report (the “Work Plan”) (ECF No. 139). To fulfill his charge, the Examiner described his intention to divide the Investigation into the following categories: (a) conduct initial interviews to understand the Debtors’ operations and the Debtors’ respective roles in the diamond/jewelry industry; (b) interview key witnesses in the United States, and if necessary in India, who are or were employed in functions relevant to the Investigation, i.e. sales, finance and accounting, operations, and contracting; (c) identify and review documents and communications relevant to the subject matter of the Investigation; (d) conduct a forensic financial analysis of the books and records of the Debtors, bank records, vendor records, and any and all relevant information of other entities consistent with the Investigation, and trace the movement of monies obtained under the Alleged Fraud Circumstances against Punjab National Bank (“PNB”) to the Debtors, and related entities and individuals; and (e) engage with the Indian Ministry of Corporate Affairs (and other agencies within the Government of India if needed) for information and documents relevant to this Investigation.

12. Crucial to the scope of the Examiner's Investigation was the need to balance the breadth of the Alleged Fraudulent Circumstances with the scope of the Chapter 11 Cases, to operate within the timeframe established by the Court to conduct the Investigation, and to minimize costs to the estates. The Alleged Fraudulent Circumstances involve a sophisticated multibillion dollar international fraud over a multi-year period across countries including the United States, India, Belgium, China, and the UAE, among others. With these considerations in mind, in the Work Plan, the Examiner stated his intention to rely primarily on the voluntary cooperation of the Debtors, their key staff and current and former accounting and auditing professionals who performed services for the Debtors, as well as the cooperation of other interested parties. This cooperation would encompass the voluntary production of relevant documents as well as the participation in informal interviews with the Examiner and his professionals. The Court subsequently approved the Examiner's Work Plan by Order, dated May 28, 2018 (ECF No. 189).

13. To address the possibility that parties would withhold their cooperation, on May 8, 2018, the Examiner filed a motion for pre-authorization to conduct examinations under Bankruptcy Rule 2004 (ECF No. 145), which the Court granted by Order, dated May 29, 2018 (ECF No. 191).

14. To fulfill his charge, and within its limitations, the Examiner and his professionals conducted a forensic investigation into the Debtors' financial and business operations from the period 2011 through the petition date. Upon the Examiner's appointment, the Examiner with the assistance of his professionals conducted initial meetings and telephone conferences with relevant parties in interest and their counsel. And the Examiner subsequently conducted numerous interviews of the Debtors' employees and other parties in interest, sought cooperation from parties in interest to share documents and information voluntarily, served forty one document and deposition subpoenas, and made more than dozen site visits to the Debtors' facilities to examine



the Debtors' books and records, interview the Debtors' employees and other witnesses, and to otherwise investigate the Debtors' operations.

15. The Examiner with the assistance of BH also negotiated stipulated protective orders to govern the use of confidential materials produced to him by various parties. As required by the protective orders, several days before the submission of this Report, the Examiner provided a list of documents on which the Examiner intended to rely. The producing parties were given an opportunity to object to the Examiner's reliance on a designated document and the Examiner to contest the designation or to move to seal the Report. The Examiner was able to resolve all such objections prior to issuance of the Report.

16. In total, the Examiner received more than five million documents consisting of tens of millions of pages in response to his requests for voluntary cooperation and the document and deposition subpoenas he served. Most of these documents were hosted on a document management system, across which the Examiner's professionals conducted searches of key terms most likely to be relevant to the Investigation. The documents, including with voicemails and images, exceeded 1.8 terabytes of data.

17. On May 23 and 24, 2018, PNB and the U.S. Trustee, respectively, filed motions seeking the appointment of a chapter 11 trustee (ECF Nos. 181, 185). The Ministry of Corporate Affairs of the Union of India filed a joinder to PNB's motion (ECF No. 194). The Debtors filed a response disputing certain of PNB's allegations, but did not oppose the appointment of a chapter 11 trustee (ECF No. 195).

18. Following a hearing on the motions, on June 7, 2018, the Court entered an order directing the appointment of a chapter 11 trustee (ECF No. 216). On June 14, 2018, the U.S. Trustee appointed Richard Levin, Esq. as chapter 11 trustee (the "Trustee") in the Chapter 11

Cases and filed notice of his appointment (ECF No. 222). That same day, the United States Trustee filed an application to approve the Trustee's appointment (ECF No. 226), and the Court subsequently entered an order approving the appointment (ECF No. 227).

19. Following the Trustee's appointment, the Examiner and the Trustee conferred regarding the most appropriate division of duties and responsibilities with the goal of benefitting the estates and avoiding duplication of work. The Examiner and Trustee subsequently agreed that the scope of the Examiner's role in these cases, upon approval of this Court, should be modified as set forth below:

ORDERED that, the Examiner is directed to investigate the circumstances surrounding the alleged fraud involving the individual known as Nirav Modi, certain persons or entities affiliated with Nirav Modi (the "Modi Entities") and certain employees of Punjab National Bank (the "Alleged Fraud Circumstances") for the purpose and to the extent necessary to determine: (1) the nature and extent of any involvement (if any) of the Debtors and any current or former officer or director of the Debtors in the Alleged Fraudulent Circumstances; (2) the involvement of such parties in any fraudulent, avoidable or suspect transactions related to the Alleged Fraudulent Circumstances; and (3) otherwise perform the duties of an examiner as contained within the scope of 11 U.S.C 1106(a)(3)&(4) of the Bankruptcy Code solely to the extent required or necessary to the foregoing Determinations (collectively, the "Investigation")[]

20. On July 26, 2018, the Court entered an order modifying the First Examiner Order to reflect the agreed upon scope of the Examiner's role in these Chapter 11 Cases (ECF No. 326).

21. On August 17, 2018, the Court so ordered the Examiner's request for a brief extension of the deadline to complete his Investigation and Report (ECF No. 369).

22. The Examiner filed the Report of his Investigation on August 25, 2018 (ECF No. 394). As explained in the Report, based on the detailed forensic analyses of available financial records, interviews of knowledgeable witnesses, email reviews and analysis of materials provided by Indian authorities, the Examiner determined that the Debtors were directly involved in the transactions related to the Alleged Fraudulent Circumstances. The Examiner also determined that

it is highly likely that the Debtors' CEO and CFO were involved, at least in some part, in assisting in transactions necessary to the success of the Alleged Fraudulent Circumstances.

23. On October 9, 2018, BH filed its first interim fee application for April 19, 2018 through August 31, 2018 (ECF No. 496), the Examiner filed his first interim fee application for April 19, 2018 through August 31, 2018 (ECF No. 497), and A&M filed its first interim fee application for May 7, 2018 through August 31, 2018 (collectively, the "Interim Applications").

24. On October 30, 2018, the Court entered the Stipulation and Order among the Trustee, the Examiner, BH, A&M, regarding compensation for services rendered and reimbursement of expenses incurred (ECF No. 560). As set forth therein, the Trustee was authorized to pay BH, the Examiner, and A&M 80% of the fees and 100% of the expenses incurred through the month of August 2018, as reflected in their respective Interim Applications.

25. Since the issuance of the Report, the Examiner and his professionals have assisted the Trustee by providing information and documents related to the Examiner's Investigation and Report. The Examiner and his professionals will continue to assist the Trustee upon request.

### **CASE STATUS**

26. Upon information and belief, since his appointment the Trustee has been managing the Debtors' estates in an effort to maximize recoveries for the Debtors' creditors.

27. To date, no disclosure statement or chapter 11 plan have been filed.

### **COMPLIANCE WITH APPLICABLE GUIDELINES**

28. The Examiner has prepared this Application in accordance with (i) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (Appendix A to 28 C.F.R. § 58), dated May 17, 1996, and the Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases, 78 Fed. Reg.

No. 116, Page 36248 (June 17, 2013) (collectively, the “UST Guidelines”); (ii) Bankruptcy Code §§ 330, and 331; (iii) Bankruptcy Rule 2016; (iv) Local Bankruptcy Rule 2016-1; and (v) the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York, dated June 17, 2013 (the “SDNY Guidelines,” and together with the UST Guidelines, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the SDNY Guidelines, the “Guidelines”). To the extent necessary, the Examiner requests a waiver for cause shown of any Guideline requirement not met by this Application.

29. The fees charged by the Examiner in these Chapter 11 Cases are billed in accordance with the general 2018 billing rates and procedures of his firm BH, except for the discount discussed below. As certified in the Verified Certification of Jorian L. Rose in Support of the Final Fee Application of the Examiner for Allowance of Compensation and Services Rendered, attached hereto as **Exhibit A**, the rates the Examiner charged for the services rendered in these Chapter 11 Cases are the rates charged by the Firm for professional and paraprofessional services rendered in comparable matters, including to non-bankruptcy clients of the Firm. The rates listed in **Exhibit A** reflect the voluntary discount the Examiner applied to the total compensation it seeks in this Application. As set forth in the *Declaration of John J. Carney Regarding Eligibility for Appointment as Chapter 11 Examiner for Debtors Firestar Diamond, Inc., et al.* (ECF No. 115-1), the Examiner agreed to provide a discount of 50% to his hourly billing rate of \$1180 for all work on this engagement.

30. The Examiner’s fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable cases in a competitive national legal market. In accordance with the UST Guidelines, attached hereto as **Exhibit B** are the Customary and Comparable Compensation Disclosures with Fee Applications supporting the reasonableness of

the Examiner's fees. The rates listed in **Exhibit B** reflect the Firm's 2018 billing rates. Consistent with the Firm's standard policies, the hourly rate reflected in the Application was not altered based on the geographic location of the Debtors' cases.

31. All of the services for which compensation is sought were rendered solely in connection with these cases and not on behalf of any other individual or entity. The Examiner has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with members, counsel and associates of the Firm, or (b) any compensation another person or party has received or may receive. No promises have been received by the Examiner as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Although the Examiner has filed several monthly fee statements pursuant to the Monthly Compensation Order, the Examiner has not previously sought, been awarded, or been denied fees or other compensation in connection with these cases.

32. The Examiner has reviewed this Application and approved the amounts of the fees requested herein.

**NO RATE INCREASES DURING THE APPLICATION PERIOD**

33. The Examiner has charged his ordinary and customary 2018 hourly rates for all services performed in these cases, except that the Examiner provided a 50% discount to his hourly billing rate as referenced above. Accordingly, the Examiner did not increase the rates he charged in these Chapter 11 Cases during the Application Period.

**REASONABLE AND NECESSARY SERVICES PROVIDED BY THE EXAMINER  
DURING THE APPLICATION PERIOD**

34. During the Application Period, the Examiner conducted a comprehensive Investigation of the Debtors' financial and business operations from 2011 through the petition date

and their connections to a multibillion dollar international fraud spanning several years. The Examiner also conducted an Investigation of the Debtors' post-petition operations and corporate governance up until the appointment of the Trustee. The Investigation involved the production of more than five million documents consisting of tens of millions of pages, and forty five interviews with more than twenty key witnesses. Under these circumstances, the Examiner was able to complete his Investigation within a short window of time and deliver a comprehensive Report free of redactions (*See* ECF No. 394).

35. The fees incurred during the Application Period reflect an aggregate of 194.40 recorded hours of attorney time spent and recorded in performing services in these Chapter 11 Cases. Of the aggregate time expended, all of the recorded hours were spent by the Examiner, who is a partner at the Firm. During the entirety of the Application Period, the Examiner's hourly billing rate was \$1180. Because no other professionals billed for the Examiner's time, there is no blended hourly rate to calculate for this Application. The Examiner's fees are reasonable based on the customary compensation charged by comparably skilled practitioners in non-bankruptcy cases in a competitive national legal market.

36. Annexed hereto as **Exhibit C** is a schedule that identifies the Examiner's billing information, including the capacity in which he is employed by BH, the hourly billing rate charged for services performed by him, the aggregate number of hours expended in these cases and fees billed therefor, and the year in which he was first licensed to practice law. When providing services in these cases, the Examiner took care to ensure that the skill level of the professionals rendering each particular service was commensurate with the task. **Exhibit C** reflects the voluntary discount the Examiner applied to his hourly billing rate for these cases.

37. The Examiner incurred \$97.99 in expenses during the Application Period for which he seeks reimbursement in this Application. Annexed hereto as **Exhibit D** is a list of all expenses for which the Examiner seeks reimbursement. Copies of receipts associated with the expenses listed in Exhibit D are available upon request.

38. Copies of the Examiner's detailed time records for this Application are annexed hereto as **Exhibit E**. The time records are in a searchable PDF format.

39. Annexed hereto as **Exhibit F** are the summaries of the amount of time spent and fees billed by each timekeeper during the Application Period, organized by project category.

40. In preparing this Application, the Examiner calculated the amount of time spent performing actual and necessary legal services. That data came directly from computerized records that are kept for each BH client. Individual time entries are maintained on written daily logs, personal computer hard drives, or imputed directly in the Firm's central client accounting and billing system. All time entries and expenses are uploaded into the billing system, which then produces draft client billing memoranda and invoices. BH attorneys have reviewed and edited the draft invoices and billing memoranda for errors prior to their submission.

#### **SERVICES PROVIDED ARRANGED BY PROJECT CATEGORY**

41. Under the Guidelines, this section contains (a) a summary of each project on which the Examiner provided services; (b) its necessity and benefit to the estates; (c) the name and title of each professional providing services on each project; and (d) a statement of the number of hours spent and the amount of compensation requested for each professional and paraprofessional on the project. The Examiner's Investigation is concluded and his Report has been filed; accordingly, each of these projects is substantially complete. However, during discussions between the Examiner and Chapter 11 Trustee, Richard J. Levin, the Trustee has requested the continued

assistance of the Examiner in connection with the findings stated in the Report. To the extent the Examiner provides additional services at the Trustee's request, the Examiner reserves the right to request payment for such fees and expenses incurred in connection therewith. The detailed time records contained in **Exhibit E** provide more detailed information about the services each professional and paraprofessional provided on this engagement.

**The Examiner's Time  
(Fees incurred: \$121,186.00; Hours: 205.40)**

42. The Examiner managed all aspects of the Investigation and the issuance of the Report. The Examiner was involved in the planning and coordination of his Investigation and the preparation of his Work Plan. As detailed in the Report, the Examiner with the assistance of his professionals conducted an investigation of the Debtors' financial and business operations from 2011 through the petition date and their connections to a multibillion dollar international fraud spanning several years. The Examiner also investigated the Debtors' post-petition operations and corporate governance up until the appointment of the Trustee. With his professionals' assistance, the Examiner conducted meetings with various parties in interest and approximately forty one witness interviews, which provided information crucial to the Examiner's Investigation and were ultimately cited in the Report. The Examiner also reviewed numerous documents relevant to the Investigation and drafted substantial portions of the Report. The Report thoroughly conveyed the results of the Examiner's Investigation to the Court, the U.S. Trustee, and all parties in interest. Accordingly, the Examiner's work in these Chapter 11 Cases was essential for the Examiner to complete his court-ordered obligations and were therefore necessary and beneficial to the estates.

**VOLUNTARY REDUCTIONS AND ADJUSTMENTS**

43. As discussed earlier in this Application, the Examiner voluntarily discounted the hourly billing rate he charged for his services, as he had agreed to do at the outset of this



engagement. Specifically, the Examiner agreed to discount his billing rate by 50%. Moreover, the Firm applied a discount to the billing rates of all New York professionals by 15% and of partners resident in offices outside of New York by 10%. Those voluntary discounts amounted to savings of over \$300,000 in fees to the Debtors' estates, which are neither sought nor reflected in this Application.

**THE COMPENSATION SOUGHT IS REASONABLE AND APPROPRIATE**

44. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement.

45. In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the Bankruptcy Code provides that the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors. Such factors include (i) the time spent on such services; (ii) the rates charged for such services; (iii) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered; (iv) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; (v) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; (iv) and whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title. *See* 11 U.S.C. § 330(a)(3); *see also In re Kohl*, 421 B.R. 115, 125 (Bankr. S.D.N.Y. 2009).

46. To determine whether services are “necessary” under section 330, courts in the Second Circuit evaluate whether those services benefitted the estate. *See Kohl*, 421 B.R. at 125; *In re Keene Corp.*, 205 B.R. 690, 695 (Bankr. S.D.N.Y. 1997). This test is an objective one, and considers what services a reasonable attorney or firm would have performed under the same circumstances. *See In re Ames Dep’t Stores*, 76 F.3d 66, 72 (2d Cir. 1996).

47. The Examiner respectfully submits that the services for which he seeks compensation in this Application were, at the time rendered, necessary for and beneficial to the estate. The Bankruptcy Code provides for the appointment of an examiner to protect estates from fraud, dishonesty, and incompetence; and to otherwise protect the interests of estates and their creditors. *See* 11 U.S.C. § 1104. Here, the U.S. Trustee and the Court charged the Examiner with investigating whether and to what extent, if any, the Modi Entities have the ability to direct and/or influence the conduct, decisions or actions taken by the Debtors in these cases and whether any current officer or director of the Debtors actively and knowingly participated in fraud or dishonesty in the management of the affairs of the Debtors. The Examiner’s efforts resulted in an efficient and thorough Investigation of the Debtors, who the Examiner ultimately concluded were used as part of a sophisticated, multibillion dollar international fraud conducted over a multi-year period, and the issuance of a comprehensive and detailed Report in satisfaction of his court-ordered obligations. Therefore, the Examiner’s services were of necessity and benefit to the estates.

48. Compensation for these services as requested is commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved. The Examiner has taken significant efforts to ensure that the professional services were performed with expedience and in an efficient manner and without duplication of effort. Accordingly, approval of the compensation sought herein is warranted.

**NOTICE AND NO PRIOR APPLICATION**

49. The Examiner has served full copies of this Application upon the Notice Parties as defined in the Monthly Compensation Order (ECF No. 214). A notice of the hearing for this Application has been provided by the Examiner to the 2002 Service List maintained by Rust Consulting/Omni Bankruptcy in these Chapter 11 Cases (ECF No. 438).

50. Although the Examiner has previously filed monthly fee statements for the payment of compensation for services rendered in accordance with the Court's Monthly Compensation Order and an interim fee application for the period of April 19, 2018 through August 31, 2018 (ECF No. 497), no previous application for the final relief sought herein has been made to this or any other court.

**CONCLUSION**

WHEREFORE, the Examiner respectfully requests that the Court enter an order, substantially in the form annexed hereto as **Exhibit G**, granting on a final basis: (i) allowance of compensation to the Examiner for services rendered during the Application Period in the amount of \$121,186.00 and \$97.99 reimbursement for actual, reasonable, and necessary expenses incurred during the Application Period; and (ii) such other relief the Court deems just and proper.

Dated: November 15, 2018  
New York, New York

Respectfully submitted,

/s/ Jorian L. Rose  
BAKER & HOSTETLER LLP

Jorian L. Rose  
45 Rockefeller Plaza  
New York, New York 10111  
Telephone: (212) 589-4200  
Facsimile: (212) 589-4201

*Counsel to the Examiner*

**EXHIBIT A**

**Certification of Jorian L. Rose**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re

Chapter 11

FIRESTAR DIAMOND, INC., *et al.*,<sup>1</sup>

Case No. 18-10509 (SHL)

(Jointly Administered)

Debtors.  
-----X

**VERIFIED CERTIFICATION OF JORIAN L. ROSE  
TO THE FINAL FEE APPLICATION OF THE EXAMINER FOR ALLOWANCE OF  
COMPENSATION FOR THE PERIOD OF  
APRIL 19, 2018 THROUGH AND INCLUDING NOVEMBER 13, 2018**

I, Jorian L. Rose declare pursuant to 28 U.S.C. § 1746, as follows:

1. I am a partner of the law firm of Baker & Hostetler LLP (“BH”), counsel to the Examiner in the Chapter 11 Cases,<sup>2</sup> and have the responsibility for ensuring that the Application complies with all Guidelines. I hereby certify the following.

2. I have read the Application.

3. To the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and expenses sought in the Application fall within the Guidelines, except that the Examiner provided certain discounts as discussed in the Application.

4. Except to the extent that fees or expenses are prohibited by the Guidelines, the fees and expenses sought in the Application were billed at rates and in accordance with practices customarily employed by BH and generally accepted by the Firm’s clients.

5. In providing a reimbursable service, the Examiner did not make a profit on the

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<sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Firestar Diamond, Inc. (2729), Fantasy, Inc. (1673), and Old AJ, Inc., A. Jaffe, Inc. (4756).

<sup>2</sup> Capitalized terms used herein but not otherwise defined have the same meaning as ascribed to them in the Final Fee Application of the Examiner for Allowance of Compensation for the Period of April 19, 2018 Through and Including November 13, 2018, filed contemporaneously with this certification.

service, whether the service was performed by the Firm in-house or through a third party.

6. In accordance with Rule 2016 of the Federal Rules of Bankruptcy Procedure and section 504 of the Bankruptcy Code, no agreement or understanding exists between me, my firm or any attorney thereof, on the one hand, and any other person, on the other hand, for the division of such compensation as my firm may receive from the Court herein, nor will any division of fees prohibited by section 504 of the Bankruptcy Code be made by me, or any attorney of my firm.

I certify under penalty of perjury that that the foregoing is true and correct to the best of my knowledge, information, and belief formed after reasonable inquiry.

Executed on November 15, 2018  
New York, New York

/s/ Jorian L. Rose  
Jorian L. Rose

**EXHIBIT B**

**CUSTOMARY AND COMPARABLE COMPENSATION DISCLOSURES WITH FEE APPLICATIONS**

(See Guidelines ¶ C.3. for definitions of terms used in this Exhibit.)

CATEGORY OF TIMEKEEPER (using categories already maintained by the firm)	BLENDED HOURLY RATE	
	BILLED OR COLLECTED During the preceding year*	BILLED In this fee application
Sr. Partner	\$1,065.00	N/A
Partner	\$993.33	\$590.00
Sr. Associate (7+ years)	\$547.00	N/A
Associate (4-6 years)	\$505.00	N/A
Jr. Associate (1-3 years)	\$470.00	N/A
Paralegal	\$345.00	N/A
Litigation Support Professional	\$349.00	N/A
All timekeepers aggregated blended rate	\$543.53	N/A
Partner	\$993.33	\$590.00

\*The hourly rates contained in this column are the 2018 average Standard Billing Arrangement hourly rates for all non-bankruptcy professionals (organized by category of timekeeper) for Baker & Hostetler LLP's New York office, the only office in this Application which billed more than 10% of the hours during the Application Period. See Section (C)(3)(a)(i)(b) of Appendix B-Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases.

Case Name: Firestar Diamond, Inc., et al.  
Case Number: 18-10509 (SHL)  
Applicant's Name: John J. Carney, the Examiner  
Date of Application: 11/15/2018  
Interim or Final: Final

**EXHIBIT C**

**Summary of Professionals and Paraprofessionals Included in this Fee Application  
April 19, 2018 – November 13, 2018**

<b>Name</b>	<b>Bar Admission Date</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Amount Billed</b>
John J. Carney	Partner, admitted in 1990	\$590	205.40	\$121,186.00



**EXHIBIT D**

**Summary of Expense Reimbursement Requested by Category  
April 19, 2018 – November 13, 2018**

<b>Description</b>	<b>Total</b>
Ground Transportation Local	\$97.99
<b>TOTAL</b>	<b>\$97.99</b>

**EXHIBIT E**

**Daily Time Records  
April 19, 2018 – November 13, 2018**

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John Carney as Examiner in Firestar Diamond  
Bankruptcy  
Baker & Hostetler LLP  
Rockefeller Center  
45 Rockefeller Plaza  
New York, NY 10111

Invoice Date: 05/21/18  
Invoice Number: 50503821  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: 34-0082025  
Page 1

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**Regarding:** Examiner's Time (only to be used by John Carney)

For professional services rendered through April 30, 2018

**BALANCE FOR THIS INVOICE DUE BY 06/20/18 \$ 8,968.00**

## Remittance Copy

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**Invoice No: 50503821**

**Firm Contact Information**

Christine Fagan  
(212) 589-4251  
cfagan@bakerlaw.com

**Please Remit To:**  
Baker & Hostetler LLP  
P.O. Box 70189  
Cleveland, OH 44190-0189

**Reference Invoice No:**  
50503821

**FOR WIRE REMITTANCES:**  
Baker & Hostetler LLP  
KeyBank, N.A., Cleveland, OH  
Account No: 1001516552 / ABA 041001039  
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New York, NY 10111

Invoice Date: 05/21/18  
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Page 2

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through April 30, 2018

**Fees**

**\$ 8,968.00**

**BALANCE FOR THIS INVOICE DUE BY 06/20/18**

**\$ 8,968.00**

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John Carney as Examiner in Firestar Diamond Bankruptcy

Invoice Date: 05/21/18  
 Invoice Number: 50503821  
 Matter Number: 111870.000004  
 Page 3

**Regarding:** Examiner's Time (only to be used by John Carney)

Matter Number: 111870.000004

Name	Hours	Rate	Amount
Carney John J	15.20	\$ 590.00	\$ 8,968.00
<b>Total</b>	<b>15.20</b>		<b>\$ 8,968.00</b>

Date	Name	Description	Hours	Amount
04/23/18	Carney John J	Review and analysis of investigative plan and background materials.	3.90	2,301.00
04/24/18	Carney John J	Preparation and interview of [REDACTED].	1.20	708.00
04/24/18	Carney John J	Preparation and interview potential forensic accountants.	2.40	1,416.00
04/24/18	Carney John J	Review and analysis of investigative plan.	3.70	2,183.00
04/30/18	Carney John J	Formulation of investigative plan and background development.	4.00	2,360.00
	<b>Total</b>		<b>15.20</b>	<b>8,968.00</b>

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Invoice Date: 06/20/18  
Invoice Number: 50513419  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: 34-0082025  
Page 1

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through May 31, 2018

**BALANCE FOR THIS INVOICE DUE BY 07/20/18 \$ 28,320.00**

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cfagan@bakerlaw.com

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**Cleveland, OH 44190-0189**

**Reference Invoice No:**  
**50513419**

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Invoice Date: 06/20/18  
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B&H File Number: 08501/111870/000004  
Taxpayer ID Number: 34-0082025  
Page 2

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**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through May 31, 2018

**Fees \$ 28,320.00**

**BALANCE FOR THIS INVOICE DUE BY 07/20/18 \$ 28,320.00**

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**Regarding: Examiner's Time (only to be used by John Carney)**

Matter Number: 111870.000004

Name	Hours	Rate	Amount
Carney John J	48.00	\$ 590.00	\$ 28,320.00
<b>Total</b>	<b>48.00</b>		<b>\$ 28,320.00</b>

Date	Name	Description	Hours	Amount
05/07/18	Carney John J	Preparation and interview of company employees.	6.70	3,953.00
05/07/18	Carney John J	Review and analysis of forensic investigative plan.	1.10	649.00
05/08/18	Carney John J	Investigative planning.	0.70	413.00
05/08/18	Carney John J	Preparation and examination of [REDACTED]	1.90	1,121.00
05/08/18	Carney John J	Preparation and interview of finance staff.	2.00	1,180.00
05/14/18	Carney John J	Prepare for court conference regarding sale and Examiner workplan approval.	4.00	2,360.00
05/15/18	Carney John J	Prepare for and attend court conference regarding sale and Examiner workplan approval.	7.10	4,189.00
05/16/18	Carney John J	Review and analysis of investigative issues and meeting with team.	2.90	1,711.00
05/17/18	Carney John J	Preparation, review documents and interview of debtor officer.	7.00	4,130.00
05/18/18	Carney John J	Review and analysis of investigative issues and review transaction summary pre-bankruptcy.	2.90	1,711.00
05/21/18	Carney John J	Review and analysis of investigative issues and review subpoenas.	3.10	1,829.00

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<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>	<b>Amount</b>
05/22/18	Carney John J	Review and analysis of open investigative issues and meet with Debtor's employees.	3.50	2,065.00
05/23/18	Carney John J	Review and analysis of open investigative issues regarding subpoenas.	1.00	590.00
05/24/18	Carney John J	Preparation and interview of debtor employee.	1.90	1,121.00
05/24/18	Carney John J	Review and analysis of investigative issues including coordinate with Mr. Waldie.	1.00	590.00
05/25/18	Carney John J	Review and analysis of open investigative issues.	1.20	708.00
<b>Total</b>			<b>48.00</b>	<b>28,320.00</b>

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John Carney as Examiner in Firestar Diamond  
Bankruptcy  
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Rockefeller Center  
45 Rockefeller Plaza  
New York, NY 10111

Invoice Date: 07/19/18  
Invoice Number: 50523247  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: 34-0082025  
Page 1

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through June 30, 2018

**BALANCE FOR THIS INVOICE DUE BY 08/18/18 \$ 11,033.00**

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cfagan@bakerlaw.com

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**Cleveland, OH 44190-0189**

**Reference Invoice No:**  
**50523247**

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John Carney as Examiner in Firestar Diamond Bankruptcy  
Baker & Hostetler LLP  
Rockefeller Center  
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New York, NY 10111

Invoice Date: 07/19/18  
Invoice Number: 50523247  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: 34-0082025  
Page 2

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through June 30, 2018

**Fees \$ 11,033.00**

**BALANCE FOR THIS INVOICE DUE BY 08/18/18 \$ 11,033.00**

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*Atlanta Chicago Cincinnati Cleveland Columbus Costa Mesa Denver  
Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC*

**Regarding: Examiner's Time (only to be used by John Carney)**

Matter Number: 111870.000004

Name	Hours	Rate	Amount
Carney John J	18.70	\$ 590.00	\$ 11,033.00
<b>Total</b>	<b>18.70</b>		<b>\$ 11,033.00</b>

Date	Name	Description	Hours	Amount
06/04/18	Carney John J	Review and analysis of open investigative initiates and subpoena follow up.	1.10	649.00
06/04/18	Carney John J	Preparation and communication with counsel for witness.	0.80	472.00
06/05/18	Carney John J	Review and analysis of suspect transactions.	1.50	885.00
06/07/18	Carney John J	Review and analysis of investigative status and forward strategy.	2.10	1,239.00
06/11/18	Carney John J	Review and analysis of investigative issues and materials.	1.70	1,003.00
06/12/18	Carney John J	Review and analysis of open investigative issues.	1.20	708.00
06/13/18	Carney John J	Review and analysis of open investigation issues.	0.50	295.00
06/15/18	Carney John J	Review and analysis of investigative status and strategy.	1.50	885.00
06/18/18	Carney John J	Review and analysis of open investigative issues.	2.10	1,239.00
06/19/18	Carney John J	Review and analysis of monetary transactions and related investigative issues.	1.50	885.00
06/25/18	Carney John J	Review and analysis of open investigative	1.20	708.00

**Baker & Hostetler LLP**

Date	Name	Description	Hours	Amount
		issues.		
06/28/18	Carney John J	Review and analysis of case investigative open issues and preliminary report analysis.	2.00	1,180.00
06/29/18	Carney John J	Review and analysis of factual investigative issues.	1.50	885.00
	<b>Total</b>		<b>18.70</b>	<b>11,033.00</b>

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John Carney as Examiner in Firestar Diamond  
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New York, NY 10111

Invoice Date: 08/14/18  
Invoice Number: 50531227  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: [REDACTED] 2025  
Page 1

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through July 31, 2018

**BALANCE FOR THIS INVOICE DUE BY 09/13/18 \$ 12,272.00**

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**Reference Invoice No:**  
**50531227**

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John Carney as Examiner in Firestar Diamond Bankruptcy  
Baker & Hostetler LLP  
Rockefeller Center  
45 Rockefeller Plaza  
New York, NY 10111

Invoice Date: 08/14/18  
Invoice Number: 50531227  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: [REDACTED] 2025  
Page 2

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through July 31, 2018

**Fees \$ 12,272.00**

**BALANCE FOR THIS INVOICE DUE BY 09/13/18 \$ 12,272.00**

**Baker&Hostetler LLP**

*Atlanta Chicago Cincinnati Cleveland Columbus Costa Mesa Denver  
Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC*

**Regarding: Examiner's Time (only to be used by John Carney)**

Matter Number: 111870.000004

Name	Hours	Rate	Amount
Carney John J	20.80	\$ 590.00	\$ 12,272.00
<b>Total</b>	<b>20.80</b>		<b>\$ 12,272.00</b>

Date	Name	Description	Hours	Amount
07/09/18	Carney John J	Review and analysis of investigative status and preliminary report issues.	3.50	2,065.00
07/12/18	Carney John J	Review and analysis of investigative status and report strategy.	1.90	1,121.00
07/16/18	Carney John J	Preparation for interview of witnesses.	1.00	590.00
07/25/18	Carney John J	Preparation for witness interviews.	2.90	1,711.00
07/25/18	Carney John J	Preparation and attendance at motion for scope modification.	3.50	2,065.00
07/26/18	Carney John J	Preparation and meeting with forensic accountants.	6.90	4,071.00
07/26/18	Carney John J	Review and analysis of report issues.	1.10	649.00
	<b>Total</b>		<b>20.80</b>	<b>12,272.00</b>



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John Carney as Examiner in Firestar Diamond  
Bankruptcy  
Baker & Hostetler LLP  
Rockefeller Center  
45 Rockefeller Plaza  
New York, NY 10111

Invoice Date: 09/17/18  
Invoice Number: 50541840  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: [REDACTED] 2025  
Page 1

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For professional services rendered through August 31, 2018

**BALANCE FOR THIS INVOICE DUE BY 10/17/18 \$ 54,103.00**

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(212) 589-4251  
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**Cleveland, OH 44190-0189**

**Reference Invoice No:**  
**50541840**

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**KeyBank, N.A., Cleveland, OH**  
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**SWIFT Code: [REDACTED]**

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John Carney as Examiner in Firestar Diamond Bankruptcy  
Baker & Hostetler LLP  
Rockefeller Center  
45 Rockefeller Plaza  
New York, NY 10111

Invoice Date: 09/17/18  
Invoice Number: 50541840  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: [REDACTED] 2025  
Page 2

---

**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through August 31, 2018

**Fees \$ 54,103.00**

**BALANCE FOR THIS INVOICE DUE BY 10/17/18 \$ 54,103.00**

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**Regarding: Examiner's Time (only to be used by John Carney)**

Matter Number: 111870.000004

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Carney John J	91.70	\$ 590.00	\$ 54,103.00
<b>Total</b>	<b>91.70</b>		<b>\$ 54,103.00</b>

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>	<b>Amount</b>
08/01/18	Carney John J	Preparation for auditor interview and review auditor material.	3.00	1,770.00
08/01/18	Carney John J	Review and revise draft report.	5.00	2,950.00
08/02/18	Carney John J	Preparation and interview of auditor regarding suspect transactions.	6.50	3,835.00
08/02/18	Carney John J	Review and analysis of report draft and next steps.	3.00	1,770.00
08/04/18	Carney John J	Review and analysis of supporting material for report.	3.50	2,065.00
08/05/18	Carney John J	Review and analysis of forensic materials regarding monetary transactions related to report.	5.90	3,481.00
08/06/18	Carney John J	Review and analysis of forensic investigative issues and predicates for report.	2.90	1,711.00
08/06/18	Carney John J	Preparation and interview bank witness and review documents.	3.30	1,947.00
08/08/18	Carney John J	Review and analysis of report related issues.	1.50	885.00
08/13/18	Carney John J	Review and analysis of report and factual predicates.	3.50	2,065.00
08/14/18	Carney John J	Draft and edit report.	3.00	1,770.00

**Baker&Hostetler LLP**

Date	Name	Description	Hours	Amount
08/14/18	Carney John J	Review and analysis of factual predicates.	4.50	2,655.00
08/15/18	Carney John J	Review, edit and analysis of report and factual predicates.	7.50	4,425.00
08/16/18	Carney John J	Preparation and communication with witness counsel.	1.50	885.00
08/16/18	Carney John J	Review and analysis of forensic report support.	2.00	1,180.00
08/20/18	Carney John J	Draft and edit report.	9.50	5,605.00
08/21/18	Carney John J	Attend meeting with forensic accountants regarding report predicates.	4.00	2,360.00
08/21/18	Carney John J	Draft and edit report.	5.00	2,950.00
08/22/18	Carney John J	Draft and edit report.	9.50	5,605.00
08/23/18	Carney John J	Draft and edit report.	1.50	885.00
08/25/18	Carney John J	Draft and edit report.	4.10	2,419.00
08/27/18	Carney John J	Post filing review.	1.50	885.00
<b>Total</b>			<b>91.70</b>	<b>54,103.00</b>

**Baker & Hostetler LLP**

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Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC

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Invoice Date: 10/10/18  
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Taxpayer ID Number: [REDACTED] 2025  
Page 1

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New York, NY 10111

Invoice Date: 10/10/18  
Invoice Number: 50550723  
B&H File Number: 08501/111870/000004  
Taxpayer ID Number: [REDACTED] 2025  
Page 2

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**Regarding: Examiner's Time (only to be used by John Carney)**

For professional services rendered through September 30, 2018

<b>Fees</b>	<b>\$</b>	<b>6,490.00</b>	
<b>Expenses and Other Charges</b>			
<b>Ground Transportation Local (E109)</b>		<b>97.99</b>	
<b>Total Expenses</b>	<b>\$</b>	<b>97.99</b>	
<b>BALANCE FOR THIS INVOICE DUE BY 11/09/18</b>		<b>\$</b>	<b>6,587.99</b>

**Baker&Hostetler LLP**

*Atlanta*  
*Houston*

*Chicago*  
*Los Angeles*

*Cincinnati*  
*New York*

*Cleveland*  
*Orlando*

*Columbus*  
*Philadelphia*

*Costa Mesa*  
*Seattle*

*Denver*  
*Washington, DC*

**Regarding: Examiner's Time (only to be used by John Carney)**

Matter Number: 111870.000004

Name	Hours	Rate	Amount
Carney John J	11.00	\$ 590.00	\$ 6,490.00
<b>Total</b>	<b>11.00</b>		<b>\$ 6,490.00</b>

Date	Name	Description	Hours	Amount
09/04/18	Carney John J	Preparation for meeting with [REDACTED]	0.50	295.00
09/06/18	Carney John J	Preparation and meeting with Trustee.	2.50	1,475.00
09/24/18	Carney John J	Preparation for meeting with [REDACTED] [REDACTED]	1.50	885.00
09/25/18	Carney John J	Preparation for court appearance.	1.50	885.00
09/27/18	Carney John J	Preparation and meeting with [REDACTED]	3.00	1,770.00
09/27/18	Carney John J	Preparation and attend hearing.	2.00	1,180.00
	<b>Total</b>		<b>11.00</b>	<b>6,490.00</b>

**Expenses and Other Charges**

05/02/18	Ground Transportation Local (E109) XYZ TWO WAY RADIO SERVICE, INC. XYZ CARNEY Personal Car 4/23/18 7:40 PM 19 Inv 1654471; Inv. 1654471	97.99
	<b>Subtotal - Ground Transportation Local (E109)</b>	<b>97.99</b>
	<b>Total</b>	<b>\$ 97.99</b>

**Baker&Hostetler LLP**

**EXHIBIT F**

**Summary of Compensation Requested by Task Category  
April 19, 2018 – November 13, 2018**

<b>Category</b>	<b>Task</b>	<b>Hours</b>	<b>Fees</b>
Examiner's Time	004	205.40	\$121,186.00
<b>TOTAL</b>		<b>205.40</b>	<b>\$121,186.00</b>



**EXHIBIT G**

**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re

Chapter 11

FIRESTAR DIAMOND, INC., *et al.*<sup>1</sup>

Case No. 18-10509 (SHL)

(Jointly Administered)

Debtors.  
-----X

**ORDER GRANTING FINAL FEE APPLICATION OF THE EXAMINER FOR  
ALLOWANCE OF COMPENSATION FOR THE PERIOD OF APRIL 19, 2018  
THROUGH AND INCLUDING NOVEMBER 13, 2018**

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Upon consideration of the application (the “Application”) filed by John J. Carney, the duly appointed examiner (the “Examiner”) in the above captioned chapter 11 cases for allowance of compensation for professional services rendered on a final basis; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application and the deadline for filing objections to the relief requested therein having been provided; and no objections to the Application having been filed; and upon the record of all of the proceedings had before the Court; and the Court having found and determined that all of the applicable requirements of sections 327, 328, and 330 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New

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<sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Firestar Diamond, Inc. (2729), Fantasy, Inc. (1673), and Old AJ, Inc. f/k/a A. Jaffe, Inc. (4756).

York Bankruptcy Cases, effective February 5, 2013 (as adopted by General Order M-447), and the *Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-1 Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals* (ECF No. 82) have been satisfied with respect to the Application; and it appearing that the services rendered by the Examiner for which compensation is allowed hereby were actual, reasonable and necessary; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

**IT IS HEREBY ORDERED THAT:**

1. The Application is granted to the extent set forth herein.
2. The Examiner is allowed compensation in the final amount of \$121,186.00 plus reimbursement of actual and necessary out-of-pocket expenses in the amount of \$97.99 for all services rendered and expenses incurred during the Application Period.
3. The Trustee is authorized and directed upon entry of this Order to remit payment to the Examiner in the amounts allowed herein, less all amounts previously paid on account of such fees and expenses.
4. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: New York, New York

\_\_\_\_\_, 2018

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The Honorable Sean H. Lane  
United States Bankruptcy Judge